

State of Alaska FY2005 Governor's Operating Budget

Department of Health and Social Services Public Assistance Results Delivery Unit Budget Summary

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Public Assistance Results Delivery Unit

Contribution to Department's Mission

The mission of the Division of Public Assistance is to promote self-sufficiency and provide basic living expenses to Alaskans in need.

To meet this mission, the Division administers programs that provide temporary economic support to needy families and individuals, financial assistance to the elderly, blind and disabled, benefits to supplement nutrition, medical benefits, and supportive services that enable and encourage welfare recipients to pursue economic independence and self-sufficiency.

Core Services

- Provide temporary financial assistance to low-income Alaskan families with children who are capable of self-sufficiency to help them meet their basic needs.
- Provide employment assistance to low-income Alaskan families with children to help them become more self-sufficient.
- Provide financial assistance to low-income aged, blind, or disabled Alaskans incapable of self-sufficiency to help them meet their basic needs.
- Provide food assistance to low-income Alaskans to decrease their incidence of food insecurity.
- Provide home heating assistance to low income Alaskans to reduce their disproportionate burden of home heating costs.
- Provide child care subsidies to families who need child care to work or participate in approved work or training activities
- License childcare providers to increase the safety and quality of childcare in Alaska.

The Public Assistance RDU determines applicant eligibility and provides cash, food and heating assistance to needy Alaskans. The major programs are Alaska Temporary Assistance (ATAP), Food Stamps, Adult Public Assistance (APA), General Relief Assistance, Heating Assistance, and Native Family Assistance. These programs provide an economic safety net for individuals and families that need help to support themselves and their children. Preventing dependency, promoting self-sufficiency and supporting clients toward obtaining employment and jobs capable of supporting a family are major responsibilities of the Division. The RDU also determines eligibility for CAMA, Medicaid, and Denali KidCare. To qualify for public assistance, individuals must have income near or below poverty level and also meet a number of specific eligibility requirements which vary by program. The Division must meet payment accuracy requirements, work participation standards and timeliness guidelines or be subject to federal sanction or penalty.

End Results	Strategies to Achieve Results
<p>(1) Low Income families and individuals become economically self-sufficient.</p> <p><u>Target:</u> Increase self-sufficient individuals and families by 10%.</p> <p><u>Measure:</u> Rate of change in self-sufficient families.</p>	<p>(1) Increase the percentage of temporary assistance families who leave the program with earnings and do not return for 6 months.</p> <p><u>Target:</u> 90% temporary assistance families leave with earnings and do not return for 6 months.</p> <p><u>Measure:</u> Percentage of families that leave temporary assistance with earned income and do not return for 6 months.</p> <p>(2) Increase the percentage of temporary assistance families with earnings.</p> <p><u>Target:</u> 40% of temporary assistance families with earnings.</p> <p><u>Measure:</u> Percentage of temporary assistance families with earnings.</p>

End Results	Strategies to Achieve Results
	<p>(3) Increase the percentage of temporary assistance families meeting federal work participation rates.</p> <p><u>Target:</u> 50% of temporary assistance families meet federal work participation rates. <u>Measure:</u> Percentage of temporary assistance families meeting federal work participation rates.</p> <p>(4) Improve timeliness of benefit delivery.</p> <p><u>Target:</u> 95% of food stamps expedited service applications meets federal time requirements. <u>Measure:</u> Percentage of food stamps expedited service households that meet federal time requirements.</p> <p><u>Target:</u> 96% of new food stamps applications meet federal time requirements. <u>Measure:</u> Percentage of new food stamps applications that meet federal time requirements.</p> <p><u>Target:</u> 99.5% of food stamps recertification applications meet federal time requirements. <u>Measure:</u> Percentage of food stamps recertification applications that meet federal time requirements.</p> <p><u>Target:</u> 90% of temporary assistance applications meet time requirements. <u>Measure:</u> Percentage of temporary assistance applications that meet time requirements.</p> <p><u>Target:</u> 90% of Medicaid applications meet federal time requirements. <u>Measure:</u> Percentage of Medicaid applications that meet federal time requirements.</p> <p>(5) Improve accuracy of benefit delivery.</p> <p><u>Target:</u> 93% of food stamp benefits are accurate. <u>Measure:</u> Percentage of accurate food stamp benefits.</p> <p><u>Target:</u> 95% of temporary assistance benefits are accurate. <u>Measure:</u> Percentage of accurate temporary assistance benefits.</p> <p><u>Target:</u> 93% of Medicaid eligibility determinations are accurate. <u>Measure:</u> Percentage of accurate Medicaid eligibility determinations.</p> <p>(6) Increase the percentage of subsidy children in licensed care.</p> <p><u>Target:</u> 76% of subsidy children are in licensed care. <u>Measure:</u> Percentage of subsidy children in licensed care.</p>

FY2005 Resources Allocated to Achieve Results

FY2005 Results Delivery Unit Budget: \$231,110,000	Personnel:	
	Full time	471
	Part time	11
	Total	482

Performance Measure Detail

(1) Result: Low Income families and individuals become economically self-sufficient.

Target: Increase self-sufficient individuals and families by 10%.

Measure: Rate of change in self-sufficient families.

Rate of change in self-sufficient families

Year	September	December	March	June	YTD Total
2001	-16%	6%	4%	3%	-2%
2002	-1%	-11%	-14%	-13%	-9%
2003	-12%				

Analysis of results and challenges: The goal is for clients to move off of Temporary Assistance with more income than they received while on the program, and for those clients to stay employed with sufficient earnings to stay off the program.

As the caseload declines, those adults with more significant barriers to employment make up a higher percentage of the caseload. Therefore, with a declining caseload, it becomes more difficult to achieve higher percentages of families becoming self-sufficient.

The rate of change is calculated for the number of families or individuals receiving benefits compared to the same time period the previous year. Thus September of 2002 had a 1% decline in the caseload compared to September of 2001. The YTD column compares the average annual caseload to the prior year caseload.

(1) Strategy: Increase the percentage of temporary assistance families who leave the program with earnings and do not return for 6 months.

Target: 90% temporary assistance families leave with earnings and do not return for 6 months.

Measure: Percentage of families that leave temporary assistance with earned income and do not return for 6 months.

Percent of Temporary Assistance Families Who Leave the Program With Earnings and Do Not Return for 6 Months

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	83%	83%	81%	81%	81%
2003	85%	86%	85%	84%	84%
2004	90%	0	0	0	90

Analysis of results and challenges: The goal is for clients to move off of Temporary Assistance with more income than they received while on the program, and for those clients to stay employed with sufficient earnings to stay off the program. The measurement ties in job retention, since retaining employment is directly related to remaining off Temporary Assistance.

The Division provides childcare and supportive services to support employed families during the transition to self-

sufficiency. Supportive services include case management support to continue coaching the employed client during this vulnerable period.

(2) Strategy: Increase the percentage of temporary assistance families with earnings.

Target: 40% of temporary assistance families with earnings.

Measure: Percentage of temporary assistance families with earnings.

Percent of Temporary Assistance Adults With Earnings

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	31%	30%	29%	29%	29%
2003	30%	29%	28%	29%	29%
2004	31%	0	0	0	31%

Analysis of results and challenges: This is a measure of current Temporary Assistance recipients who have earned income. As the caseload declines, those adults with more significant barriers to employment make up a higher percentage of the caseload. Therefore, with a declining caseload, it becomes more difficult to achieve higher percentages of recipients with earned income. The goal of the division's welfare-to-work effort is to move families off assistance and into a job that pays well enough for the family to be self-sufficient.

(3) Strategy: Increase the percentage of temporary assistance families meeting federal work participation rates.

Target: 50% of temporary assistance families meet federal work participation rates.

Measure: Percentage of temporary assistance families meeting federal work participation rates.

Percentage of temporary assistance families meeting federal work participation rates.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	38%	37%	36%	36%	36%
2003	32%	33%	33%	34%	34%
2004	36%	0	0	0	36%

Analysis of results and challenges: Temporary Assistance (TA) is a work-focused program designed to help Alaskans plan for self-sufficiency and to make a successful transition from welfare to work. Federal law requires the state to meet work participation requirements. Failure to meet federal participation rates results in fiscal penalties.

As Alaska's TA caseload declines, a growing portion of the families requires more intensive services just to meet minimal participation requirements. Enhancement of TA Work Services will serve to identify and address client challenges to participation.

(4) Strategy: Improve timeliness of benefit delivery.

Target: 95% of food stamps expedited service applications meets federal time requirements.

Measure: Percentage of food stamps expedited service households that meet federal time requirements.

Percentage of food stamps expedited service households that meet federal time requirements

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	95.38%	94.49%	93.36%	93.40%	93.40%
2003	93.97%	90.45%	90.77%	92.05%	92.05%
2004	93.22%	0	0	0	93.22%

Analysis of results and challenges: Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

Target: 96% of new food stamps applications meet federal time requirements.

Measure: Percentage of new food stamps applications that meet federal time requirements.

Percentage of new food stamps applications that meet federal time requirements

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2001	92.98%	94.18%	94.28%	94.70%	94.70%
2002	95.90%	95.12%	95.07%	95.49%	95.49%
2003	96.24%	0	0	0	96.24%

Analysis of results and challenges: Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

Target: 99.5% of food stamps recertification applications meet federal time requirements.

Measure: Percentage of food stamps recertification applications that meet federal time requirements.

Percentage of food stamps recertification applications that meet federal time requirements

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2001	99.82%	99.75%	99.65%	99.58%	99.58%
2002	99.47%	99.52%	99.40%	99.41%	99.41%
2003	99.64%	0	0	0	99.64%

Analysis of results and challenges: Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

Target: 90% of temporary assistance applications meet time requirements.

Measure: Percentage of temporary assistance applications that meet time requirements.

Percentage of Temporary Assistance applications that meet time requirements

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2001	83%	86%	85%	86%	86%
2002	90%	88%	89%	90%	90%
2003	88%	0	0	0	88%

Analysis of results and challenges: Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

Target: 90% of Medicaid applications meet federal time requirements.

Measure: Percentage of Medicaid applications that meet federal time requirements.

Percentage of Medicaid applications that meet federal time requirements

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	89%	90%	89%	89%	89%
2003	91%	90%	90%	90%	90%
2004	88%	0	0	0	88%

Analysis of results and challenges: Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

(5) Strategy: Improve accuracy of benefit delivery.

Target: 93% of food stamp benefits are accurate.

Measure: Percentage of accurate food stamp benefits.

Percentage of accurate food stamp benefits

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	90.4%	92.4%	90.5%	89.2%	89.2%
2003	86.2%	84.7%	85.6%	0	85.6%

Analysis of results and challenges: Accurate benefits ensure clients have the amount of benefits to which they are entitled. Fluctuating benefits cause budget issues for clients and impact their ability to gain self-sufficiency. The Quality Assessment Reviews evaluate payment accuracy using statistically valid sampling, case reviews, and home visits.

This is a cumulative measure based on the federal fiscal year (Oct-Sep) and it has about a two month lag.

Target: 95% of temporary assistance benefits are accurate.

Measure: Percentage of accurate temporary assistance benefits.

Percentage of accurate temporary assistance benefits.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	88.2	93.5	93.6	92.0	92.0
2003	95.4	94.2	94.7	0	94.7

Analysis of results and challenges: Accurate benefits ensure clients have the amount of benefits to which they are entitled. Fluctuating benefits cause budget issues for clients and impact their ability to gain self-sufficiency. The Quality Assessment Reviews evaluate payment accuracy using statistically valid sampling, case reviews, and home visits.

This is a cumulative measure based on the federal fiscal year (Oct-Sep) and it has about a two month lag.

Target: 93% of Medicaid eligibility determinations are accurate.

Measure: Percentage of accurate Medicaid eligibility determinations.

Percentage of accurate Medicaid eligibility determinations

Year					YTD Total
2002					96%
2003					94%

Analysis of results and challenges: Accurate benefits ensure clients have the amount of benefits to which they are entitled. Fluctuating benefits cause budget issues for clients and impact their ability to gain self-sufficiency. Medicaid eligibility accuracy is compiled at the end of projects designed by the state and accepted by federal authorities.

(6) Strategy: Increase the percentage of subsidy children in licensed care.

Target: 76% of subsidy children are in licensed care.

Measure: Percentage of subsidy children in licensed care.

Percentage of subsidy children in licensed care

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	0	60%	58%	64%	64%
2003	65%	66%	68%	75%	75%

Analysis of results and challenges: The first available data regarding this measure is the second quarter in 2002.

Key RDU Challenges

- Sustaining and building on the successes of Alaska's welfare reform efforts is a pivotal issue. Meeting the demands of federal and state welfare reform mandates and providing opportunities for families to achieve lasting

self-sufficiency while maintaining basic safety net services will remain a challenge in FY2004-2005. The Temporary Assistance caseload has decreased by 46% compared to FY1997. As the caseload has become smaller, the proportion of families without parents in the home, or with parents who face serious challenges to employment, has grown.

- The APA population is expected to follow the national trend and continue to grow. Continued APA funding will provide critical financial assistance and enable needy elderly, blind and disabled individuals to live with dignity within the community.
- Reduce spending to match sustainable revenue while continuing to provide child care assistance to allow parents to enter and stay in the workforce.
- Need to continue to improve Food Stamp Program quality control payment error rate. Alaska was penalized for making too many mistakes when figuring client benefits. Progressively larger penalties were received in FY1997, FY1998, FY1999 and FY2002.

Significant Changes in Results to be Delivered in FY2005

- A computerized information management system will consolidate the child care subsidy, resource and referral, and licensing functions into one system. At the present time, this system only provides Parents Achieving Self-Sufficiency (PASS II and III) management. In FY2005 we anticipate including PASS I functions in the system and will consolidate PASS I functions fully into the Child Care Program Office. This move will improve data management and customer service for child care providers as well as families participating in the PASS programs.
- The division reorganization that has consolidated its Policy and Program Development section and created a new Program Integrity and Analysis section is anticipated to result in a number of improved performance outcomes for the division. By bringing together the policy development staff of all the major programs managed by the division, the resulting integration of consistent policies across programs should improve its content and its clarity for staff that must apply it to their work on a daily basis. By focusing on achievement of the division's performance measures, striving to assure greater benefit payment accuracy, and evaluating and monitoring division operations this section should increase efficiency and fiscal accountability.

Major RDU Accomplishments in 2003

- Alaska received over \$6.3 million in Federal TANF High Performance Bonuses for federal fiscal years 2001 and 2002. In FFY01 Alaska placed first in the nation for Job Entry and received a bonus of over \$3.1 million for that achievement. For FFY02 Alaska was awarded an additional \$3.1 million and was 6th in the nation for Job Entry. Bonus payments for FFY02 included awards for Success in the Work Force and for enrollment in Medicaid. Alaska received the maximum bonus payment (5% of our TANF block grant for each fiscal year). These bonus payments must be directed toward cash assistance for the families we serve and will help relieve some of the pressure caused by the budgetary challenges we are currently facing.
- Expenditures for Temporary Assistance payments declined to \$55.2 million in FY2003. The additional savings contributes to a 52% savings over the past six years. These savings are from reduced payments due to earnings and from case closures.
- For calendar year 2003, 50% of adult Temporary Assistance recipients were engaged in work activities; 30% were employed.
- Met and exceeded FFY2003 federally mandated work participation rates. Meeting the FFY2003 two-parent participation rate eliminated the threat of fiscal sanctions for failure to meet the rate in prior years.
- In January 2003 the division implemented Job Start, a wage subsidy program for businesses that create new jobs and hire welfare recipients to fill the positions. Temporary Assistance benefits are used to subsidize the wage and clients get a paycheck instead of a welfare check. Since the advent of Job Start, there are 55 additional families moving toward self-reliance and 55 newly created jobs that are helping Alaskan employers expand their businesses.

- Outcome-based grants and contracts were first awarded in FY2003 and tracked with the new online performance reporting system used to monitor service providers.
- In October 2003 DPA expanded the privatized delivery of work services for TA clients in the Anchorage area and on the North Slope to further improve employment outcomes.
- The DPA Fraud Investigation unit reorganized investigative procedures and staff assignment. This will result in more efficient process, and increased coordination on criminal prosecutions and increased fraud convictions.
- In FY2003 the unit's fraud investigative efforts resulted in cost-avoidance, direct savings, and administratively and criminally established overpayments totaling over \$2.3 million. The deterrent value of an active fraud control effort cannot be quantified yet significantly adds to this value.

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**Public Assistance
RDU Financial Summary by Component**

All dollars shown in thousands

	General Funds	FY2003 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2004 Authorized Federal Funds	Other Funds	Total Funds	General Funds	FY2005 Governor Federal Funds	Other Funds	Total Funds
Formula												
Expenditures												
ATAP	26,616.5	19,617.4	0.0	46,233.9	26,621.2	17,796.6	3,235.9	47,653.7	24,341.2	16,619.8	2,935.9	43,896.9
Adult Public Assistance	52,036.3	1,019.0	3,612.3	56,667.6	53,383.9	734.0	3,702.3	57,820.2	52,635.1	734.0	3,792.3	57,161.4
Child Care Benefits	0.0	0.0	0.0	0.0	6,986.4	40,597.1	141.5	47,725.0	6,937.0	38,965.4	110.8	46,013.2
General Relief Assistance	1,145.4	0.0	0.0	1,145.4	1,499.0	0.0	0.0	1,499.0	1,499.0	0.0	0.0	1,499.0
Tribal Assistance	7,692.7	0.0	742.4	8,435.1	7,704.7	0.0	907.8	8,612.5	7,704.7	0.0	676.7	8,381.4
PFD Hold Harmless	0.0	0.0	12,363.1	12,363.1	0.0	0.0	15,405.5	15,405.5	0.0	0.0	15,949.9	15,949.9
OAA-ALB Hold Harmless	1,650.7	0.0	0.0	1,650.7	519.5	0.0	0.0	519.5	0.0	0.0	0.0	0.0
Non-Formula												
Expenditures												
Energy Assistance Program	0.0	7,316.8	0.0	7,316.8	0.0	12,024.9	0.0	12,024.9	0.0	9,640.1	0.0	9,640.1
Public Assistance Admin	0.0	0.0	0.0	0.0	701.5	2,286.6	45.1	3,033.2	739.1	2,072.7	42.7	2,854.5
Public Assistance Field Svcs	0.0	0.0	0.0	0.0	11,395.6	12,186.7	2,514.2	26,096.5	12,395.4	13,885.7	715.6	26,996.7
Public Assist Data Processing	0.0	0.0	0.0	0.0	2,468.2	2,550.7	0.0	5,018.9	0.0	0.0	0.0	0.0
Fraud Investigation	0.0	0.0	0.0	0.0	588.9	678.8	0.0	1,267.7	674.1	774.5	0.0	1,448.6
Quality Control	0.0	0.0	0.0	0.0	586.7	514.7	0.0	1,101.4	569.6	529.9	0.0	1,099.5
Work Services	0.0	0.0	0.0	0.0	2,919.6	13,064.3	360.0	16,343.9	2,855.6	13,313.2	0.0	16,168.8
Totals	89,141.6	27,953.2	16,717.8	133,812.6	115,375.2	102,434.4	26,312.3	244,121.9	110,350.8	96,535.3	24,223.9	231,110.0

Public Assistance
Summary of RDU Budget Changes by Component
From FY2004 Authorized to FY2005 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	115,375.2	102,434.4	26,312.3	244,121.9
Adjustments which will continue current level of service:				
-ATAP	-2,280.0	2,280.0	0.0	0.0
-Adult Public Assistance	-1,632.3	0.0	0.0	-1,632.3
-Child Care Benefits	-49.4	-81.7	19.3	-111.8
-Energy Assistance Program	0.0	16.2	0.0	16.2
-Public Assistance Admin	39.3	-204.6	0.0	-165.3
-Public Assistance Field Svcs	883.9	1,579.0	72.6	2,535.5
-Public Assist Data Processing	-2,462.0	-2,545.5	0.0	-5,007.5
-Fraud Investigation	86.3	96.9	77.5	260.7
-Quality Control	24.4	24.2	0.0	48.6
-Work Services	-35.9	256.7	-75.0	145.8
Proposed budget decreases:				
-ATAP	0.0	-3,456.8	-300.0	-3,756.8
-Adult Public Assistance	-1,230.5	0.0	0.0	-1,230.5
-Child Care Benefits	0.0	-1,550.0	-50.0	-1,600.0
-Tribal Assistance	0.0	0.0	-231.1	-231.1
-Energy Assistance Program	0.0	-2,401.0	0.0	-2,401.0
-Public Assistance Admin	-1.7	-9.3	-2.4	-13.4
-Public Assistance Field Svcs	-14.8	-10.7	-1,871.2	-1,896.7
-Public Assist Data Processing	-6.2	-5.2	0.0	-11.4
-Fraud Investigation	-1.1	-1.2	-77.5	-79.8
-Quality Control	-41.5	-9.0	0.0	-50.5
-Work Services	-28.1	-7.8	-285.0	-320.9
-OAA-ALB Hold Harmless	-519.5	0.0	0.0	-519.5
Proposed budget increases:				
-Adult Public Assistance	2,114.0	0.0	90.0	2,204.0
-PFD Hold Harmless	0.0	0.0	544.4	544.4
-Public Assistance Field Svcs	130.7	130.7	0.0	261.4
FY2005 Governor	110,350.8	96,535.3	24,223.9	231,110.0